



General Assembly

January Session, 2005

Amendment

LCO No. 7163

HB0665507163HDO

Offered by:

REP. O'CONNOR, 35th Dist.

To: Subst. House Bill No. 6655

File No. 762

Cal. No. 237

***"AN ACT CONCERNING GROUPS COVERED UNDER THE STATE
EMPLOYEE HEALTH PLAN AND ASSOCIATION GROUP PLANS."***

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- 1 In line 174, after the comma insert "or"
 - 2 In line 175, strike ", or (vi) any group" and substitute "." in lieu
 - 3 thereof
 - 4 Strike lines 176 and 177 in their entirety
 - 5 Strike lines 242 to 249, inclusive, in their entirety and substitute the
 - 6 following in lieu thereof:
 - 7 "(NEW) (22) With respect to plans or arrangements issued pursuant
 - 8 to subsection (i) of section 5-259, as amended by this act, or by an
 - 9 association group plan, at the option of the Comptroller or the
 - 10 administrator of the association group plan, the premium rates
 - 11 charged or offered to small employers purchasing health insurance
 - 12 shall not be subject to this section, provided (A) the plan or plans
 - 13 offered or issued cover such small employers as a single entity and

14 cover not less than ten thousand eligible individuals on the date
15 issued, (B) each small employer is charged or offered the same
16 premium rate with respect to each eligible individual and dependent,
17 and (C) the plan or plans are written on a guaranteed issue basis."

18 After the last section, add the following and renumber sections and
19 internal references accordingly:

20 "Sec. 501. Subsection (b) of section 38a-569 of the general statutes is
21 repealed and the following is substituted in lieu thereof (*Effective from*
22 *passage*):

23 (b) Any member may reinsure with the pool coverage of an eligible
24 employee of a small employer, or any dependent of such an employee,
25 except that no member may reinsure with the pool coverage of an
26 eligible employee of a small employer, or any dependent of such an
27 employee, whose premium rates are not subject to section 38a-567, as
28 amended by this act, pursuant to subdivision (22) of section 38a-567, as
29 amended by this act. Any reinsurance placed with the pool from the
30 date of the establishment of the pool regarding the coverage of an
31 eligible employee of a small employer, or any dependent of such an
32 employee shall be provided as follows:

33 (1) (A) With respect to a special health care plan or a small employer
34 health care plan, the pool shall reinsure the level of coverage provided;
35 (B) with respect to other plans, the pool shall reinsure the level of
36 coverage provided up to, but not exceeding, the level of coverage
37 provided in a small employer health care plan or the actuarial
38 equivalent thereof as defined and authorized by the board; and (C) in
39 either case, no reinsurance may be provided in any calendar year for a
40 reinsured employee or dependent until five thousand dollars in benefit
41 payments have been made for services provided during that calendar
42 year for that reinsured employee or dependent, which payments
43 would have been reimbursed through said reinsurance in the absence
44 of the annual five-thousand-dollar deductible. The amount of the
45 deductible shall be periodically reviewed by the board and may be

46 adjusted for appropriate factors as determined by the board;

47 (2) With respect to eligible employees, and their dependents,
48 coverage may be reinsured: (A) Within such period of time after the
49 commencement of their coverage under the plan as may be authorized
50 by the board, or (B) commencing January 1, 1992, on the first plan
51 anniversary after the employer's coverage has been in effect with the
52 small employer carrier for a period of three years, and every third plan
53 anniversary thereafter, provided, commencing May 1, 1994,
54 reinsurance pursuant to this subparagraph shall only be permitted
55 with respect to eligible employees and their dependents of a small
56 employer which has no more than two eligible employees as of the
57 applicable anniversary;

58 (3) Reinsurance coverage may be terminated for each reinsured
59 employee or dependent on any plan anniversary; [and]

60 (4) Reinsurance of newborn dependents shall be allowed only if the
61 mother of any such dependent is reinsured as of the date of birth of
62 such child, and all newborn dependents of reinsured persons shall be
63 automatically reinsured as of their date of birth; [.] and

64 (5) Notwithstanding the provisions of subparagraph (A) of
65 subdivision (2) of this subsection: (A) Coverage for eligible employees
66 and their dependents provided under a group policy covering two or
67 more small employers shall not be eligible for reinsurance when such
68 coverage is discontinued and replaced by a group policy of another
69 carrier covering two or more small employers, unless coverage for
70 such eligible employees or dependents was reinsured by the prior
71 carrier; and (B) at the time coverage is assumed for such group by a
72 succeeding carrier, such carrier shall notify the pool of its intention to
73 provide coverage for such group and shall identify the employees and
74 dependents whose coverage will continue to be reinsured. The time
75 limitations for providing such notice shall be established by the pool.

76 Sec. 502. (NEW) (*Effective October 1, 2005*) (a) The Insurance
77 Commissioner shall approve any health insurance policy or contract

78 that uses variable networks and enrollee cost-sharing as set forth in
79 subsection (b) of this section if (1) the policy or contract meets the
80 requirements of title 38a of the general statutes, (2) the policy or
81 contract form or amendment thereto filed with the commissioner is
82 accompanied by a rate filing for the policy or contract and (3) the
83 commissioner finds that the rate filing reflects a reasonable reduction
84 in premiums or fees as compared to policies or contracts that do not
85 use such variable networks and enrollee cost-sharing.

86 (b) Such policies and contracts shall be limited to policies and
87 contracts that: (1) Offer choices among provider networks of different
88 size; (2) offer different deductibles depending on the type of health
89 care facility used; or (3) offer prescription drug benefits that use any
90 combination of deductibles, coinsurance not to exceed thirty per cent
91 or copayments, including combinations of such deductibles,
92 coinsurance or copayments at different benefit levels."